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21 June 1954

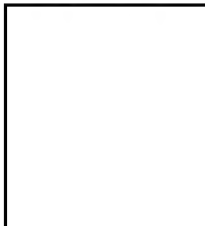
MEMORANDUM:

JOB NO. _____ BOX NO. _____ FLD NO. _____ DOC. NO. 14 NO CHANGE
IN CLASS/ DECLASS/ CLASS CHANGED TO: TS S (C) RET. JUST. 22
NEXT REV DATE 10 REV DATE 7/2/80 REVIEWER 029723 TYPE DOC. 02
TO : Comptroller NO. PGS 9 CREATION DATE _____ ORG COMP 38 OPI 38 ORG CLASS S
THROUGH: Chief, Finance Division
FROM : Acting Deputy Chief, Odd Branch, Finance Division
SUBJECT: Report on Far East Survey Trip
REV CLASS C REV COORD. _____ AUTH: HR 70-3

25X1A As the result of a request in December 1953 by the newly designated
25X1A Chief of Station, [] a period of temporary duty for the undersigned
was directed. The basic purpose of the temporary duty was to assist in
the establishment of consolidated accounts and initiate appropriate financial
procedures in the [] Station.

While in the area it was deemed advisable that visits should be made to
other stations on and near to the route of travel. This was to serve two
purposes: (a) To acquaint the undersigned with conditions in the area; and
(b) to give the Finance Officers at the stations current information on
Headquarters' approach to problems of mutual interest.

In accordance with the provisions of Travel Order No. FS-524-54 and
instructions received relative to the above, the undersigned departed
Headquarters on 1 January 1954 and returned to Headquarters on 11 March 1954;
having performed duty at the following installations:



The following general subjects were discussed at each installation:

Cash - Procurement and conversion procedures, storage and
safeguarding facilities, adequacy of types of currency on hand
and the need for cash, paying and balancing procedures.

Advances - Review of the most recent schedule with
discussion as to propriety of the advance, documentation
required in connection with advances, and procedure for
follow-up.

Obligations - Procedures for the receiving, recording
and reporting on documents pertaining to obligations.

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Projects - Those presently being handled by the Station were reviewed with specific attention being given as to whether or not an Administrative Plan was required. Background information was furnished regarding recent Headquarters developments in accounting treatment of funds furnished subsidy and proprietary projects.

Reports - Form and content were reviewed and suggestions made where necessary, when such would assist the station in more readily presenting reports and permit Headquarters to more effectively use them.

General - In addition to the above, many topics of interest to the station staffs and the Finance Officers were touched on during the course of the stay at each station, with specific questions being resolved at the time or referred to proper authority.

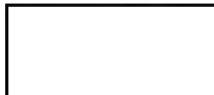
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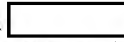
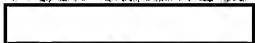
The major portion of time during the trip was devoted to the problems on  Specifically involved were the following:

Combine into one "Class A" set of accounting records three stations:

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Arrange for transfer from  of those projects in which financial as well as operational control passed to  This involved transfer of open advance balances, amounts of obligations and liquidated obligations. This latter activity was later coordinated through MA and the Budget Officer for FE at Headquarters.

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Considerable analysis work had to be done in detail to prepare entries on Station books segregating accounts as required by the new organization. As many adjustments as possible were recorded in the January accounts, and January statements were prepared which reflected the combining of Stations as outlined above.

A listing of items to be handled and questions to be resolved in the near future was prepared and turned over to the new Administrative Officer. One

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evening and a morning were spent with him and his Assistant just prior to departure, outlining what had been done and discussing in more detail the items on the listing referred to above.

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The new Finance Officer passed through [] enroute to [] and several discussions were held with him concerning Station activities and a visit with him was also made to the Headquarters of the [] where several questions were resolved.

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The Comptroller's Office in [] effectively became Headquarters for the undersigned during the course of the trip inasmuch as all travel orders and documentation were secured through [] Headquarters. There is actually very little disbursing activity involved other than of an overhead category. Inasmuch as the [] Staff was at hand for furnishing guidance to the [] Finance Officer, very little time was spent on HA disbursing activities. Considerable time was spent, however, in discussing problems of their area and furnishing comments, which we hope represented Headquarters thinking.

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The reorganization of the [] Missions were being undertaken just prior to the completion of the trip and information relative to future plans and budgets was developed by the [] Staff and brought back, which we hope was of value to the Foreign Division.

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A lengthy verbal report was furnished the Chief, Administration, FS Division and his Budget Officer immediately upon our return. Realignment of the [] and China Mission allotments were made by the FS Budget Officer on the basis of information furnished him, and clarification of certain items, which were requested by the field through the undersigned, was furnished to the [] Budget Officer by the Far East Division.

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Inasmuch as the undersigned had been to [] and had made an initial acquaintance with the property accounting system being placed in effect in this area, a lengthy meeting was had with the Chief of Logistics for the Station. Also involved in the discussion was the relationship between the Supply and Finance Offices as regards routing and processing of purchase orders and the recording of obligations therefore.

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Approximately one-half day was spent going over the mess accounts of the installation and making recommendations for the improved accounting and reporting of their activities. The records which were being kept did not furnish a breakdown of meals served between Headquarters, the sub-base and safe houses. The issues were furnished on a basis of a request submitted by the installations but were not analyzed with regard to the number of rations required to adequately supply the Unit.

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There was also some indication that adequate controls were not emphasized with regard to quantities of food consumed by indigenous [] personnel. U. S. personnel were permitted to reorder as many times as desired at the same meal and it would have been possible for, and we understand has happened in several instances, for an individual to have two or three steaks in one sitting.

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The Executive Officer of the Station was made aware of the requirements of the regulations and was furnished with our understanding of Agency policy in regard to mess operations and was given suggestions which, if followed, would bring their [] operations into reasonably satisfactory condition. The [] Staff had also made certain recommendations regarding the [] operations and had planned to follow it up at regular intervals.

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The physical set up of the office leaves much to be desired by the normal U. S. standards; however, for a [] operation they were very adequate. The physical security was good inasmuch as they are located in two fairly large rooms on the second floor of the building used as a supply warehouse and Logistics Office. Indigenous guard service is furnished and passes are required to be shown upon entrance into the compound in which the building is located. On the second floor an additional armed guard is posted and a showing of a pass is required prior to the entry into the Finance area. The building in which the Finance Officer is located is about three blocks from the main

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office and billet. The main disadvantage is being located away from the office of the Chief of Station and other administrative and operational units. We understand however, that it was not until August 1953 that the Finance Officer was even permitted to be at the Headquarters location and prior to that time was forced to maintain his records at [redacted]. An assistant was located in [redacted] to perform functions as a Cashier. During this period the Finance Officer made a weekly trip by train to attend the Staff Meeting, transact such business as could be accomplished in a few hours, and then return to [redacted].

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A new Finance Officer has taken over at [redacted] just a few months prior to this visit and, in the opinion of the undersigned, has done an outstanding job of pulling together many loose ends in the operation of this Station. She apparently has gained the confidence of the Staff Officers and had effectively enforced a closer control of many finance activities. She had been approved by Headquarters for appointment as a Certifying Officer; however, such appointment has not yet been made effective inasmuch as she did not wish to certify until such time as she felt she had the situation under control. The [redacted] Comptroller also wished to observe the activities at the Station prior to implementing the appointment action. We understand that it was expected that she would be appointed as Certifying Officer in June 1954.

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[redacted]

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[redacted] was visited on two different occasions. The major activities of this installation consisted of the [redacted] training and holding activity and the supply depot activity.

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The [redacted] group were engaged in reassessing and checking the records on all of the [redacted] personnel of the project who were being processed for return to [redacted]. Some training had been carried on with this group heretofore.

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The major portion of the time was spent in becoming acquainted with the operations of the new property accounting system with special attention being paid to the requirements for the preparation of receiving reports at the various stations in the [redacted] area. This was done so that on subsequent visits to the other stations assistance could be given to them in the preparation of the required reports.

Thirty additional houses in the compound were in the process of being completed. A combination theater and church as well as a dining room - club were nearing completion. With the addition of these facilities this station will have one of the newest and most desirable physical plants in the Far East.

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[redacted]
Because of the difficulties surrounding transportation to and from the installation, we were able to spend only one day and one night at [redacted] [redacted] was making one flight per week to the Base and we visited only for the period of the "turn around" rather than spending an entire week with this one installation. The main activity of the Finance Officer at [redacted] lies in furnishing support in the nature of paying overhead expenses for Headquarters Training Mission.

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[redacted]
Several problems concerning the proper handling of obligations were discussed and recommendations furnished. This was done in connection with a representative of the Comptroller's Office from [redacted] who happened to be closing a week's survey of the Base for [redacted] purposes at the time of our visit. A general discussion was held with the Station Chief and his Chief of Administration and we attended the weekly staff meeting.

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Commercial records being maintained by the Finance Officer for Project [redacted] were inspected and the Finance Officer was given the Headquarters background on the developments of this project.

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The question of the charges to be made for housing units on the [redacted] [redacted] were reviewed. The position which Headquarters is required to take on this and several other charges brought about by the change of cover was outlined.

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The trip to [redacted] was made in company with the Chief of Mission, [redacted] Staff Officers. They were proceeding to [redacted] to explain the termination of [redacted] and make arrangements for [redacted]

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One of the problems presented by the Chief of Station was the opinion that Headquarters should make a determination shortly as to the long range plans for the use of [redacted] All of the buildings were of the quonset or temporary type construction and have reached the stage (due to age and the extreme deterioration caused by the tropical climate) where the costs of maintenance and repair are rapidly approaching the point at which it will be uneconomical to continue to use the existing facilities as compared to permanent type construction. If it is planned to use [redacted] on a long range basis, he felt an early authorization to plan and construct, through [redacted] permanent quarters and other buildings should be sought.

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The sooner this could be accomplished, the more savings could be realized from an ever increasing repair budget which only continues to maintain on an inadequate basis, facilities which at best constitute minimum standards of existence for family type living under difficult conditions.

GENERAL COMMENTS

One of the impressions received on the trip was that the Finance Officers were much more involved with budget preparation, obligation control, and reporting than many of us in the Finance Division realized. A great number of problems of the Finance Officers, both real and imaginary, were in this area. This is perhaps due to the fact that the present requirements were developed during the overseas incumbency of the present Finance Officers and they did not have the benefit of formal Headquarters instruction prior to assuming their duties.

Another situation in which much work should be done is the area of activities involving the use of non-appropriated funds. Each outlying station in the area requires recreational facilities which, in most instances, include a bar and/or a club. These were operated under station supervision and in general the physical facilities were provided from station funds. They are income producing activities; however, and some sort of policy guidance should be furnished to the field so that similar treatment can be given these activities at the stations. There also appears to be a need for accounting and reporting instructions in connection with these activities. The Comptroller had asked in the Fall of 1953 that a full time person be made available for a survey of this situation in North Asia; however, it was not possible to detail a person to this at that time. The ☐ Comptroller's Office planned to furnish guidance in this area which would attempt to eventually bring the individual stations on to a comparable operating basis.

The accounting and reporting for messes in the area under the supervision of the Senior Representative, ☐ also was handled on a different basis at each of the stations visited. The current ☐ lack certain policy statements which the Finance Officers knew to be valid but could not enforce. The ☐ Comptroller's Staff was attempting to develop local application of the regulations which would not be inconsistent with Agency policy and would provide a uniformity of operation. A draft of a proposed ☐ instruction regarding operational messes was brought back for use by the Technical Accounting Staff in considering revision of current ☐ and furnishing guidance to the ☐ Staff.

RECOMMENDATIONS:

Specific recommendations have been taken up with the appropriate operating units at Headquarters, both within the Finance Division and the Far East Division, where they pertain to details of day to day activities or specific situations that needed adjustment.

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The following general recommendations are submitted for consideration:

(a) It is recommended that Finance Officers proceeding to the field receive a more comprehensive training in budget matters, including the manner in which the budget is prepared and presented by the appropriate division. With this training the Finance Officers will be able to more effectively assist Headquarters in preparing budgets for that location or installation.

(b) It is recommended that the Technical Accounting Staff be asked to devise accounting and reporting procedures for non-appropriated funds activities and that Agency policy in regard to these activities be formulated and incorporated in appropriate regulations.

(c) It is recommended that the Technical Accounting Staff review the current regulations regarding the operation of messes especially with regard to those requirements of the [] to see whether revision of the mess regulations would be warranted.

(d) It is recommended that drafts of proposed procedures or changes in regulations be furnished to the [] Staff as soon as they are developed. It would be quite helpful in their furnishing guidance to the stations under their supervision if they were made aware of Headquarters thinking on a current basis.

SIGNED

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

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FROM: Technical Accounting Staff
Office of the Comptroller
200 Alcott Hall

NO.

DATE

9 APR 1957

TO: (Officer designation, room number, and building)

DATE

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

REC'D

FWD'D

1. Comptroller
1039 Alcott Hall

12 Apr 57

[Signature]

2. [Redacted] 25X1A

22 May 57

[Signature]

3.

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17 Apr 57

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17 Apr 57

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